

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

W-03512A
Pine Water Co., Inc.
% Brooke Utilities, Inc.
P.O. Box 82218
Bakersfield, CA 93380

ANNUAL REPORT

FOR YEAR ENDING

12	31	2006
-----------	-----------	-------------

FOR COMMISSION USE

ANN04	06
--------------	-----------

Entered
4-20-07

COMPANY INFORMATION

Company Name (Business Name): Pine Water Co., Inc.

Mailing Address: P.O. Box 82218
(Street)

Bakersfield CA 93380
(City) (State) (Zip)

800-270-6084 or 661-633-7546 800-748-6981
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address: customerservice@gswater.com or mistiej@brookeutilities.com

Local Office Mailing Address: 1010 S. Stover Rd.

Payson Arizona 85541
(City) (State) (Zip)

928-447-8130 928-472-8747
Local Office Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

MANAGEMENT INFORMATION

Management Contact: Robert T. Hardcastle President
(Name) (Title)

P.O. Box 82218 Bakersfield CA 93380
(Street) (City) (State) (Zip)

661-633-7526 800-748-6981
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address: rth@brookeutilities.com

On Site Manager: Shaun Stouder
(Name)

1010 S. Stover Rd. Payson AZ 85541
(Street) (City) (State) (Zip)

928-474-8130 928-474-1695
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address: shauns@brookeutilities.com

☒ Please mark this box if the above address(es) have changes or are updated since the last filing.

Statutory Agent: Robert T. Hardcastle
(Name)

P.O. Box 82218
(Street)

Bakersfield
(City)

CA
(State)

93380
(Zip)

661-633-7526

800-748-6981

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Attorney: Jay Shapiro with Fennemore Craig
(Name)

3003 N. Central Ave. Ste. 2600
(Street)

Phoenix
(City)

AZ
(State)

85012
(Zip)

602-916-5000

602-916-5566

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S)

☒ C Corporation (C) (Other than Association/Co-op)

☐ Partnership (P)

☐ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☐ Association/Co-op (A)

☐ Receivership (R)

☐ Limited Liability Company

☐ Other (Describe)

COUNTIES SERVED

Check the box for the county/ies in which you are certified to provide service:

<input type="checkbox"/> APACHE	<input type="checkbox"/> COCHISE	<input type="checkbox"/> COCONINO
<input checked="" type="checkbox"/> GILA	<input type="checkbox"/> GRAHAM	<input type="checkbox"/> GREENLEE
<input type="checkbox"/> LA PAZ	<input type="checkbox"/> MARICOPA	<input type="checkbox"/> MOHAVE
<input type="checkbox"/> NAVAJO	<input type="checkbox"/> PIMA	<input type="checkbox"/> PINAL
<input type="checkbox"/> SANTA CRUZ	<input type="checkbox"/> YAVAPAI	<input type="checkbox"/> YUMA
<input type="checkbox"/> STATEWIDE		

COMPANY NAME: PINE WATER COMPANY, INC

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D (OC less AD)
301	Organization			
302	Franchises			
303	Land and Land Rights	16,930	2,661	14,269
304	Structures and Improvements	162,134	116,684	45,450
307	Wells and Springs	169,691	55,942	113,749
311	Pumping Equipment	143,818	85,530	58,288
320	Water Treatment Equipment	6,168	1,655	4,513
330	Distribution Reservoirs and Standpipes	248,032	198,652	49,380
331	Transmission and Distribution Mains	1,006,514	795,439	211,075
333	Services	70,981	57,427	13,554
334	Meters and Meter Installations	289,507	118,493	171,014
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment	3,397	95	3,302
347	Miscellaneous Equipment			
348	Other Tangible Plant	2,916	83	2,833
	TOTALS	2,120,088	1,432,661	687,427

This amount goes on the Balance Sheet Acct. No.108

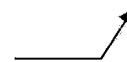


COMPANY NAME: PINE WATER COMPANY, INC

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises			
303	Land and Land Rights	16,930	2.62%	444
304	Structures and Improvements	162,134	2.60%	4,216
307	Wells and Springs	169,691	1.02%	1,729
311	Pumping Equipment	143,818	2.70%	3,880
320	Water Treatment Equipment	6,168	2.45%	151
330	Distribution Reservoirs and Standpipes	248,032	2.61%	6,486
331	Transmission and Distribution Mains	1,006,514	2.51%	25,298
333	Services	70,981	2.58%	1,830
334	Meters and Meter Installations	289,507	2.58%	7,463
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment	3,397		63
347	Miscellaneous Equipment			
348	Other Tangible Plant	2,916	0.38%	11
	TOTALS	2,120,088	2.43%	51,571

This amount goes on Comparative Statement of Income and Expense
Acct. No.403.



COMPANY NAME: PINE WATER COMPANY, INC

BALANCE SHEET

Acct. No.	ASSETS	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ -	\$ -
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	15,109	29,791
146	Notes/Receivables from Associated Company		3,864
151	Plant Materials and Supplies		
162	Prepayments	25,671	23,399
174	Miscellaneous Current and Accrued Assets	3,724	-
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 44,504	\$ 57,054
	FIXED ASSETS		
101	Utility Plant in Service	\$ 2,090,526	\$ 2,120,088
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation - Utility Plant	(1,381,090)	(1,432,661)
121	Not-Utility Property		
122	Accumulated Depreciation - Non Utility		
	TOTAL FIXED ASSETS	\$ 709,436	\$ 687,427
	DEFERRED INCOME TAX DEBITS	\$ 369,000	\$ 369,000
	TOTAL ASSETS	\$ 1,122,940	\$ 1,113,481

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

COMPANY NAME: PINE WATER COMPANY, INC**BALANCE SHEET (CONTINUED)**

Acct. No.	LIABILITIES	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT LIABILITIES		
231	Accounts Payable	\$ 8,443	\$ -
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Company	736,060	576,890
235	Customer Deposits	34,453	33,578
236	Accrued Taxes	15,011	-
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities	156	14,124
	TOTAL CURRENT LIABILITIES	\$ 794,123	\$ 624,592
	LONG-TERM DEBT (Over 12 Months)		
224	Long-term Notes and Bonds	\$ -	\$ -
	Deferred Credits		
251	Unamortized Premium on Debt		
	Refundable Meter Advances	\$ 76,286	\$ 68,681
252	Advances in Aid of Construction	12,057	12,057
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	958,323	958,323
272	Less: Amortization of Contributions	(567,543)	(591,747)
281	Accumulated Deferred Income Taxes		
	TOTAL DEFERRED CREDITS	\$ 479,123	\$ 447,314
	TOTAL LIABILITIES	\$ 1,273,246	\$ 1,071,906
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 321,823	\$ 321,823
211	Paid In Capital in Excess of Par Value	584,935	584,935
215	Retained Earnings	(1,057,064)	(865,183)
218	Proprietary Capital (Sole Props & Partnerships)		
	TOTAL CAPITAL	\$ (150,306)	\$ 41,575
	TOTAL LIABILITIES AND CAPITAL	\$ 1,122,940	\$ 1,113,481

COMPANY NAME: PINE WATER COMPANY, INC

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 766,364	\$ 785,326
460	Unmetered Water Revenue		
474	Other Water Revenues	11,771	61,863
	TOTAL REVENUES	\$ 778,135	\$ 847,189
	OPERATING EXPENSES		
601	Salaries and Wages	\$ 108,363	\$ 118,991
610	Purchased Water	83,106	109,704
615	Purchased Power	39,949	38,508
618	Chemicals	777	1,635
620	Repairs & Maintenance	35,732	33,273
621	Office Supplies and Expense	6,309	26
630	Outside Services	89,105	78,180
635	Water Testing	7,003	4,760
641	Rents	295	240
650	Transportation Expenses	-	26,605
657	Insurance - General Liability	-	-
659	Insurance - Health and Life	14,813	8,893
666	Regulatory Commission Expense - Rate Case	102	3,120
675	Miscellaneous Expense	116,100	83,924
403	Depreciation Expense	28,541	51,571
408	Taxes Other Than Income	48,303	48,968
408.11	Property Taxes	35,724	25,938
409	Income Tax		-
	TOTAL OPERATING EXPENSES	\$ 614,222	\$ 634,336
	OPERATING INCOME/(LOSS)	\$ 163,913	\$ 212,853
	OTHER INCOME/EXPENSE		
419	Interest and Dividend Income	\$ -	\$ -
421	Non-Utility Income		1,193
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	(1,667)	(1,452)
	TOTAL OTHER INCOME/EXPENSE	\$ (1,667)	\$ (259)
	NET INCOME/(LOSS)	\$ 162,246	\$ 212,594

COMPANY NAME: PINE WATER CO., INC.

SUPPLEMENTAL FINANCIAL DATA

Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate	%	%	%	%
Current Year Interest	\$	\$	\$	\$
Current Year Principal	\$	\$	\$	\$

Meter Deposit Balance at Test Year End	\$ 68,680.53
	<hr/>
Meter Deposits Refunded During the Test Year	11,535.74
	<hr/>

COMPANY NAME: PINE WATER CO., INC.

Name of System: Pine Water System

ADEQ Public Water System Number (If applicable): PWS 04-034

WATER COMPANY PLANT DESCRIPTION

Wells

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled	Arsenic Levels (Mg/L)
55-510039	No pump	0	200	6	2	1985	N/A
55-519445	0.5	3.0	190	6	2	1988	<0.001
55-603958	3.0	16.3	233	5 -9/16	1	1971	0.002
55-603960	1.0	6.8	300	4	3/4 x 3/4	1974	0.002
55-603961	2	14	10	8	5/8 x 3/4	1976	0.0024
55-603963	5	25	480	6	1	1978	0.0039
55-613687	0.75	13.3	200	6	5/8 X 3/4	1982	0.0015
55-613688	1.0	20	170	6	2	1980	0.0017
55-613689	1.0	0.00	290	6	5/8 x 3/4	1980	0.0017
55-613690	No pump	0	80	8	none	1982	N/A
55-613691	0.75	15.5	80	8	5/8 x 3/4	1982	0.0017
55-613692	No pump	0	150	6	5/8 x 3/4	1982	N/A
55-613695	0.75	9.5	80	6	1	1979	0.0017
55-613696	No pump	0	80	6	1	1982	N/A
55-635764	No pump	0	20	6	none	1981	N/A
55-635767	No pump	0	171	6	none	1979	N/A
55-635768	No pump	0	176	6	none	1979	N/A
55-635769	1	0	11 & 243	6 & 8	1	1976	0.0015
55-635770	2	13	161	6 & 6	1	1979	0.0015
55-635772	No pump	0	79	6	none	1979	N/A
55-635775	3	9.7	270	6	5/8 x 3/4	1976	0.0015

* Arizona Department of Water Resources Identification Number

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME: PINE WATER CO., INC.**Name of System: Pine Water System****ADEQ Public Water System Number (If applicable): PWS 04-034****OTHER WATER SOURCES**

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
Strawberry Water Co., Inc. via Project Magnolia	150	8,245
Starlight Pines Water via water tanker	N/A	625
Payson Water Co, Inc. via water tanker	N/A	50
Water Sharing Agreement: STWID BV well	22	6,366 ^A
Water Sharing Agreement: STWID P-3 Well	2	(10) ^B
STWID consumption	N/A	(1,446)
Water Sharing Agreement: B	19.5	5,730
Water Sharing Agreement: W	15	4,277
Pending New Source: Water Sharing Agreement- H1(GR.Rd)	25 gpm anticipated	0
Pending New Source: Water Sharing Agreement-H2	15gpm anticipated	0

A. Pine Water was denied access to STWID BV well meter for approximately five (5) months from August 2005-January 2006. Therefore, exact gallons purchased in the calendar month of January 2006 can not be determined. An average (497,000) of the total gallons purchased during the five month period is shown for January 2006 gallons purchased from this well. ✓

B. Pine Water was denied access to STWID P-3 well meter for approximately five (5) months from August 2005- January 2006. The well meter read obtained in January 2006 and February 2006 for the STWID P-3 well was less than the read obtained in August 2005. As of December 31, 2006, STWID had not returned the well to full service thus a portion of the production adjustment remains on record. ✓

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
3.0	2	3	1
5.0	7		
7.5	4		
15.0	4		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
100,000 gallons	5	350 gallons	2
150,000 gallons	1	1,000 gallons	2
300,000 gallons	1	2,000 gallons	4
10,000 gallons	2	30,000 gallons	1

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME: PINE WATER CO., INC.	
Name of System: Pine Water System	ADEQ Public Water System Number (If applicable): PWS 04-034

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2	ABS	14,382
2	PVC	648
3	ABS	14,157
3	PVC	56,582
4	ABS	13,744
4	PVC	43,320
4	AC	24,664
5	None	None
6	AC	2,895
6	PVC	147
8	DIP	200
8	PVC	10,200
10	None	None
12	None	None

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	1,945
3/4	146
1	6
1 1/2	1
2	5
Comp. 3	0
Turbo 3	0
Comp. 4	0
Turbo 4	0
Comp. 6	0
Turbo 6	0

For the following three items, list the utility owned assets in each category.

TREATMENT EQUIPMENT:

4- Pellet Chlorinators

STRUCTURES:

<u>1- 8' x 24' wood structure</u>	<u>2- 12 x 24' wooden frame structures</u>
<u>1 -10' x 28' concrete block structure</u>	<u>2- 10' x 12' wooden frame structures</u>
<u>1- 10' x 14' concrete block structure</u>	<u>1- 10' x 16' wooden frame structures</u>
<u>1 10' x 10' concrete block structure</u>	

OTHER:

6 – 4' x 4' metal water conservation signs & 30 related number signs (1-5)

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME: PINE WATER CO., INC.

Name of System: Pine Water System ADEQ Public Water System Number (If applicable): PWS 04-034

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2006

MONTH/ YEAR	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	2,006	3,512	1,792	809 ^A
FEBRUARY	2,007	3,328	2,630	1,745
MARCH	2,009	3,101	2,671	1,715
APRIL	2,013	3,799	1,654	2,102
MAY	2,012	4,929	2,924	2,598
JUNE	2,027	6,104	4,317	2,676
JULY	2,018	5,496	3,755	2,021
AUGUST	2,017	4,159	2,461	1,967
SEPTEMBER	2,016	4,391	2,564	1,963
OCTOBER	2,014	3,923	2,573	2,139
NOVEMBER	2,015	2,996	1,438	1,798
DECEMBER	2,016	3,949	2,100	2,304
TOTALS →		49,687	30,879	23,837

^A . Pine Water was denied access to STWID BV well meter for approximately five (5) months from August 2005-January 2006. Therefore, exact gallons purchased in the calendar month of January 2006 can not be determined. An average (497,000) of the total gallons purchased during the five month period is shown for January 2006 gallons purchased from this well.

What is the level of arsenic for each well on your system? See Page 10 Mg/l
(If more than one well, please list each separately.)

If system has fire hydrants, what is the fire flow requirement? N/A GPM for N/A hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?

☒ (X) Yes ☐ () No

Is the Water Utility located in an ADWR Active Management Area (AMA)?

☐ () Yes ☒ (X) No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

☐ () Yes ☒ (X) No

If yes, provide the GPCPD amount: _____

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME: PINE WATER CO., INC.

YEAR ENDING 12/31/2006

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2006 was: \$ 41,188.00

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

**VERIFICATION
AND
SWORN STATEMENT
Taxes**

VERIFICATION

STATE OF California

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)
Kern
NAME (OWNER OR OFFICIAL) TITLE
Robert T. Hardcastle
COMPANY NAME
PINE WATER CO., INC.

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2006

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

SIGNATURE OF OWNER OR OFFICIAL

661-633-7526

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

DAY OF

MONTH

20__

(SEAL)

SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported	\$	
Estimated or Actual Federal Tax Liability	\$	0
State Taxable Income Reported	\$	
Estimated or Actual State Tax Liability	\$	0

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	\$	12,057.10
Amount of Gross-Up Tax Collected	\$	12,057.10
Total Grossed-Up Contributions/Advances		

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.



SIGNATURE4-15-07

DATE**Robert T. Hardcastle**

PRINTED NAME**President**

TITLE

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

VERIFICATION

STATE OF California

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) Kern
NAME (OWNER OR OFFICIAL) TITLE Robert T. Hardcastle
COMPANY NAME: PINE WATER CO., INC. PINE WATER CO., INC.

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2006

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2006 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 847,188.51

**(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 48,968.16
IN SALES TAXES BILLED, OR COLLECTED)**

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

SIGNATURE OF OWNER OR OFFICIAL

(661) 633-7526

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

DAY OF

MONTH

20

(SEAL)

SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

COUNTY OF (COUNTY NAME) KERN		
NAME (OWNER OR OFFICIAL)	ROBERT T. HARDCASTLE	TITLE : President
COMPANY NAME: PINE WATER CO., INC.		

MONTH	DAY	YEAR
12	31	2006

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2006 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 847,188.51

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 48,968.16
IN SALES TAXES BILLED, OR COLLECTED)

***RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.**

SIGNATURE OF OWNER OR OFFICIAL

661-633-7526

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

--

DAY OF

(SEAL)

MY COMMISSION EXPIRES

NOTARY PUBLIC NAME

COUNTY NAME

MONTH

20

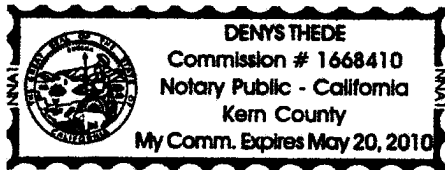
SIGNATURE OF NOTARY PUBLIC

Jurat

State of California

County of Kern

Subscribed and sworn to (or affirmed) before me on this 16th day of April, 2007, by Robert T. Hardcastle personally known to me or proved to me on the basis of satisfactory evidence to be the person who appeared before me.



A handwritten signature in black ink, appearing to read "Robert T. Hardcastle", written over a horizontal line.

Pine Water Company, Inc. * Bakersfield, CA
6103
GILA COUNTY TREASURER

22123

OCT 5 06

902312767 06 Oct 5 06

20,474.26

0.00

20,474.26

NOT NEGOTIABLE

20,474.26

0.00

20,474.26

Pine Water Company, Inc.
P.O. Box 82218
Bakersfield, CA 93380-2218

22123

WELLS FARGO BANK, N.A.

CHECK NO.

11-24
1210(8)

***** Twenty Thousand Four Hundred Seventy-Four and 00/100 *****

DATE
Oct 5 06

AMOUNT
\$20,474.26

✓

GILA COUNTY TREASURER
P.O. BOX 1093
GLOBE, AZ
85302

NOT NEGOTIABLE

⑈022123⑈ ⑆421000248⑆412105189⑈

Pine Water Company, Inc. * Bakersfield, CA
51-23 CILA COUNTY TREASURER

21421

903512767 #2 Apr 20 06 20,713.29 0.00 20,713.29

NOT NEGOTIABLE

20,713.29 0.00 20,713.29

Pine Water Company, Inc.
P.O. Box 52218
Bakersfield, CA 93390-2218

21421

WELLS FARGO BANK, N.A.

CHECK NO.

11-24
1210(8)

***** Twenty Thousand Seven Hundred Thirteen and 29/100 *****

DATE
Apr 20 06

AMOUNT
\$20,713.29

CILA COUNTY TREASURER
P.O. BOX 1093
GLOUCESTER, MA
01930

PAY
TO THE
ORDER
OF

✓

NOT NEGOTIABLE

#026626* 01210002604121054891*